



PROGRAM MEMO

Program Memo - Protection and Safety - #1-2001

March 14, 2001

TO: Protection and Safety Administrators
Protection and Safety Staff
IM Foster Care Staff
Supervisors/Managers of Resource Development
Service Area Contract Liaisons
Protection and Safety Legal Team

FROM: Ron Ross, Director, Health and Human Services
Jone M. Bosworth, Deputy Director Protection and Safety

RE: Foster Parent Insurance

CITATION: 390 NAC 7-001.10

In an effort to better clarify the Foster Parent Insurance program, a meeting was held with HHS Management and Program staff, HHSS Legal staff, the Insurance Policy Holder, the Insurance Claims Examiner, and the Office of Risk Management to assess our coverage for foster parents and determine if changes needed to be made to the coverage. We were pleased to find that in the majority of cases the Foster Parent Insurance provider was providing coverage for the claims submitted. Where coverage was not provided it was generally due to the fact that the request was outside of the coverage provided by the policy. It was determined that the coverage would remain the same at this point in time with an increased effort to collect data reflecting insurance needs and payments made to foster parents.

Included as part of this memorandum you will find several documents. They are:

- **FOSTER PARENT INSURANCE PROGRAM**, which describes the coverage provided. It is important that staff understands the coverage provided by this insurance and are able to relate to the foster parents their understanding of the coverage.
- **ACCIDENT REPORTING PROCEDURES**, which provides an explanation of the report form
- **ACCIDENT INVESTIGATION REPORT**, which is the form to be completed by the foster parent (The form which is being mailed to foster parents will have the original and two copies so they can send the original to the company, send a copy to the case manager, and keep a copy. If the foster parent or a staff person need more copies, they can be obtained from Leslie Donley, Office of Risk Management, Executive building, 521 South 14th Street, Suite 230 Lincoln, NE 68508, or (402)471-2404.)

All of these documents will be mailed to foster parents by the 1st of April, 2001 by Sedgwick of Nebraska, the company which is adjusting claims.

The following information is provided to give you more detail to assist in answering questions from foster parents about procedures in processing claims.

1. The foster parent, as the insured party, completes the Accident Investigation Report and sends the original to Sedgwick of Nebraska, Inc. and sends a copy to the child's casemanager. The foster parent must file a claim with his or her homeowner's/renter's/auto insurance first, as they are the primary insurance carrier.
2. Sedgwick investigates the claim and makes the decision about whether it is a covered loss under the Foster Parent Insurance program.
3. Sedgwick sends a written notification of the decision to the foster parent.
4. If the incident is covered and involves damage to the foster parent's property, Sedgwick makes a payment to the foster parent for the amount of the claim minus the foster parent's deductible, which is \$50. If the incident is covered and involves damages to the property of someone other than the foster parent, Sedgwick makes a payment to the third party. Payments are made per the provisions of the policy.
5. Foster Parents can file a miscellaneous claim with the State Claims Board to recover their \$50 deductible regarding the covered claim paid by Sedgwick.

We are encouraging foster parents to file all claims with the insurance company so we can gather data for future planning and documentation of the types of incidences that are occurring in foster homes.

We are no longer encouraging the foster parents to file their uncovered claims with the State Claims Board as claims uncovered by the insurance may in all likelihood not be covered by the State Claims Board.

If you have questions, please contact Shirley Deethardt at (402)471-9277 or e-mail shirley.deethardt@hhss.state.ne.us or Katie McLeese Stephenson at (402)471-9456 or e-mail katie.mcleese.stephenson@hhss.state.ne.us.

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